

# Retirement Report

Bi-Annual Update for Nebraska School Employer Contacts

Fall 2010

## Are You Sure Your Report Is Confirmed?

When confirming your report online, you must be sure to **complete** the confirmation process. When you choose the option “confirm,” you will be taken to a screen that is titled “Confirm Report Totals.”

Some may see the word “confirm” and stop at that point. However, the confirmation process is not yet complete, and the report is not considered received until you have clicked on the button “**CONFIRM this report**” at the bottom of the page. You will know you have completed the process when you get to a screen entitled “Report Confirmed.”

### NOTE:

If the “CONFIRM This Report” button is not visible or if you see “N/A,” review your report for an error message or contact our office for assistance.

## Non-Contributing Forms

When completing the School Non-Contributing Member Forms (Non-Cons), it is **important to be as accurate as possible.**

**IMPORTANT:  
PLEASE READ**

Our Benefits Department relies on the reported information on this form to process a retiree’s benefit. Unfortunately, there have been an increasing number of incidents when inaccurate information on the Non-Contributing Member form has caused a delay in processing a member’s benefit or has required a member’s benefit to be recalculated.

For example, on the form we ask for the **month of the Wage and Contribution Report** in which the member’s final retirement contributions and hours will be reported. If the form reports June 2010, the Benefits Department will base their processing decisions on that June 2010 date. If *additional* compensation and hours are reported on a *subsequent* Wage and Contribution Report, it necessitates a re-evaluation of the member’s account regarding termination date, effective date, benefit calculations, etc.

Another important section of the Non-Contributing Member Form is the line which reports the member’s “termination date.” **Termination** is defined as the date on which the member experiences

a “bona fide” separation from service of employment. This is when the employer—employee relationship is dissolved. For example, if a teacher finishes the school year on May 25, 2010, but continues to work during the summer, May 25, 2010 is **not** the member’s termination date. The member’s termination date is the day he/she completes summer school. ***The member cannot work beyond the date recorded on line 3 of the Non Contributing Member form*** (for at least 180 calendar days).

On occasion, modifications to a member’s reported termination date has necessitated an adjustment to the member’s effective date of retirement. This has resulted in the member having to repay benefits that were received in error.

Information received from School employers is generally accurate and complete. It is our hope that mentioning a few of the problems we have experienced in the past will help to prevent future errors. As always, if you have any questions when completing the Non-Contributing Member Form, please feel free to contact our office for clarification.



## DEMOGRAPHICS

# Reporting Addresses

When reporting a new employee's address, or if an employee changes their address, the process is as follows:

## ONLINE REPORTERS

**OPTION #1**—When submitting a new address your uploaded report must contain a “date of address change.” This is done by entering a date of address change in your payroll software program before uploading the monthly report. Please keep in mind this date of address change must be a date **within the month of report you are submitting**. This has been established within the software in order to allow our system to pick up a new address whether it is for a new employee or an existing employee who has moved.

**Example:** For an address reported on a November 2010 Nebraska Retirement report, use a specific date between November 1 and November 30.

**OPTION #2**—(See “Copy Forward Reporters,” below.)

Software Unlimited has provided a screenshot of the “date of address change” screen. This feature was set up along with all of our file requirements for your monthly reporting; for example, hire date, term date, salary, hours, and employee contributions. All of the information is set up to extract from your payroll records.

## COPY FORWARD REPORTERS

After your file is uploaded into our system, you can “Edit” an employee's record. Once you have the employee's new address entered, click save at the bottom of the screen.

## PAPER REPORTERS

When reporting by a paper report, enter the new address in the “Changes/Corrections to Demographic Information” column on the right side of the Wage and Contribution form.

**NPRIS will not recognize an employee's address if you do not enter a “date of address change.”**

**This is very important as your employees will otherwise be unable to receive retirement account statements or any other correspondence from the Retirement office.**

## Compensation

Compensation reported to NPERS must include gross wages or salaries payable to your employee for services performed during the plan year. This includes overtime/holiday pay, vacation/sick time that is used (unused time for which an employee is paid can not be included), retroactive salary payments, amounts contributed under §§125, 403(b), 457 of the Internal Revenue Code, and extra duty pay.

*(35)(a) Compensation means gross wages or salaries payable to the member for personal services performed during the plan year and includes (i) overtime pay, (ii) member retirement contributions, (iii) retroactive salary payments pursuant to court order, arbitration, or litigation and grievance settlements, and (iv) amounts contributed by the member to plans under sections 125, 403(b), and 457 of the Internal Revenue Code as defined in section 49-801.01 or any other section of the code which defers or excludes such amounts from income.*

### COMPENSATION NOT REPORTABLE—

Compensation not reportable to NPERS includes, unused sick or vacation leave converted to cash, insurance premiums converted to cash, fringe benefits, bonuses for services not actually rendered including early retirement inducements/cash awards/severance pay, and reimbursements for expenses incurred.

*(b) Compensation does not include (i) fraudulently obtained amounts as determined by the retirement board, (ii) amounts for unused sick or unused vacation leave converted to cash payments, (iii) insurance premiums converted into cash payments, (iv) reimbursement for expenses incurred, (v) fringe benefits, (vi) bonuses for services not actually rendered, including, but not limited to, early retirement inducements, cash awards, and severance pay, or (vii) beginning on September 4, 2005, employer contributions made for the purposes of separation payments made at retirement and early retirement inducements as provided for in section 79-514.*

**If you have any questions on reportable and non-reportable compensation, please contact NPERS for a determination.**



# Questions About LB 950?

In light of recent legislative updates per LB 950, we have included the following flow chart to help you determine how to handle different situations that may occur throughout the School year.

## SCHOOL EMPLOYEES RETIREMENT PLAN PARTICIPATION RULES

As of July, 2010

### CURRENTLY ENROLLED EMPLOYEES

All employees who are enrolled in the retirement plan as of July 1, 2010 are to **remain** in the plan until the employee is terminated or retires; **regardless of any change in duties or a reduction of hours worked**. Please note; employees who retire or terminate employment must **not** provide service to a school employer within 180 days after ceasing employment, unless such service is provided on an intermittent voluntary or intermittent substitute basis. ●

### EMPLOYEES NOT YET ENROLLED

The following guidelines apply for employees who were **not** enrolled in the School Employees Retirement Plan as of July 1, 2010.

Employee is hired as a temporary employee to complete a specific task; **not to exceed one year**.



**Not eligible to participate in retirement.**

Ref: Neb. §79-902(10)(c); §79-902(38); §79-910.01(1)

Employee is hired as a Substitute only; and is **not** currently enrolled in the retirement plan.



**Not eligible to participate in retirement.**

Ref: Neb. §79-902(41)

Employee was considered a temporary employee during the 09/10 school year and is returning for the 10/11 school year **for the same purpose or task**.



Employee is no longer considered temporary and is now considered a **regular employee**. Employee **may be eligible** to participate in retirement based on the average number of hours worked per week.

Ref: Neb. §79-902(41)

(See information for "regular employees" for retirement eligibility guidelines.)



### EMPLOYEES WITH MULTIPLE PARTICIPATING EMPLOYERS

If an employee works for more than one (participating) school employer, the employer(s) must consider the amount of hours the employee works at all schools when determining retirement eligibility; to exclude substitute hours (substitute hours cannot be considered when determining whether or not an employee is eligible to participate in the retirement plan). ●

### 15 HOURS OR MORE

Employees who are not solely substitutes or do not qualify as a temporary employee are **REGULAR EMPLOYEES**. For regular employees who are hired to work **an average of 15 hours or more per week or 60 hours or more in a calendar month**:



Employee is **eligible** to participate in the retirement plan and must be enrolled immediately in the retirement plan; regardless of how many months the employee is scheduled to work. The employee must remain in the retirement plan until termination or retirement regardless of any change in duties.

Ref: Neb. §79-902(40); §79-910.01(1)(2)

### LESS THAN 15 HOURS

Employees who are not solely substitutes or do not qualify as a temporary employee are **REGULAR EMPLOYEES**. For regular employees who are hired to work **less than an average of 15 hours per week in a calendar month**



Employee is **ineligible** to participate in the retirement plan. **HOWEVER**, if the employee does work an **average** of 15 hours or more per week or 60 hours or more in any three calendar months during a plan year, it is then mandatory that the employee is enrolled in the retirement plan immediately thereafter. If the employee met the three months' hour requirement and that employee is not scheduled to work again until that next plan year, the employee should be enrolled that first payroll period of the next plan year. **Once the employee meets the hour requirement for retirement participation, the employee must remain in the plan until termination or retirement regardless of any change in duties**. Each year the three month qualifying period starts over, as long as the employee is ineligible to participate in the plan.

Ref: Neb. §79-902(40); §79-910.01(1)(2)

**NOTE:** Employee retirement participation or non-participation must be supported by documentation of actual hours worked; regardless of the employment position.



# Required Documentation for Remittance

**WEB REPORTERS REMITTING VIA ACH**—All information is transmitted via the web, however, you will need to send any necessary completed adjustment reports, or leave a note in the note section of the employee's record. Your authorized signature is your login password and your payment is transmitted via the ACH system.

**WEB REPORTERS REMITTING VIA CHECK**—You will need to send your check and any necessary completed adjustment reports, or leave a note in the note section of the employee's record. Your authorized signature is your login password. Please be sure to identify your check by including your employer number (as assigned by NPERS) and the pay period for which you are remitting.

**DISK REPORTERS REMITTING VIA ACH**—With your disk be sure to include a signed completed recap report and any necessary completed adjustment reports. Your payment is transmitted via the ACH system.

**DISK REPORTERS REMITTING VIA CHECK**—With your disk be sure to send your check, a signed completed recap report, and any necessary completed adjustment reports.

**PAPER REPORTERS REMITTING VIA ACH**—You will need to send a completed Wage and Contribution Report for each contributing employee, any necessary completed adjustment reports, and a signed completed recap report. Your payment is transmitted via the ACH system.

**PAPER REPORTERS REMITTING VIA CHECK**—With your check you need to send a completed Wage and Contribution Report for each contributing employee, any necessary completed adjustment reports, and a signed completed recap report.

# Reporting Deadlines

In order to avoid late fees, please follow these reporting guidelines...

The Wage & Contribution Report and payment must be submitted to NPERS no later than the 10th of the following month. If the 10th day falls on a weekend or holiday, the due date is the following business day.

**WEB REPORTERS REMITTING VIA ACH**—Reports must be confirmed by the due date

**WEB REPORTERS REMITTING VIA CHECK**—Reports must be confirmed and your check must be postmarked by the due date

**DISK AND PAPER REPORTS**—Reports must be postmarked by the due date.

## RECORDKEEPING FOR CLOSED OR MERGED SCHOOLS

Maintaining records for closed or merged schools is a very important issue. When a school closes or is merged with another school, it is the responsibility of the receiving school to maintain the employees' records. This information is vital when determining years of service and when calculating future retirement benefits. Please keep these records available.

## APPLYING FOR RETIREMENT BENEFITS

Please remind your employees to contact NPERS in writing, by telephone, or in person at least three months before their anticipated retirement date. Retirement benefits will not start automatically.

## LATE INTEREST

When reporting adjustments for prior months/years, late interest will be calculated to make the member's account "whole." The late interest is the responsibility of the employer.



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